

Message Text

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PAGE 01 STATE 102538

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TAGS: OVIP (KISSINGER)

SUBJECT: PRESS MATERIAL

1. HEREWITH FULL TEXT JOHN WALLACH BYLINER SUNDAY, MAY 12, SUNDAY HERALD ADVERTISER HEADLINED "ADMINISTRATION POLICY MAKERS ADMIT WATERGATE HAS HAD 'DEVASTATING' EFFECT ON U.S. FOREIGN POLICY."

2. "TOP ADMINISTRATION POLICYMAKERS NOW ARE PRIVATELY CONCEDED THE WATERGATE SCANDALS HAVE HAD A 'DEVASTATING' EFFECT ON AMERICAN FOREIGN POLICY.

3. THE KEY OFFICIALS, WHO ASKED NOT TO BE IDENTIFIED, SINGLED OUT THESE AREAS AS ALREADY AFFECTED BY THE EROSION IN CONFIDENCE OVERSEAS IN NIXON ADMINISTRATION POLICIES.

4. -- NEGOTIATIONS WITH THE SOVIET UNION ON A FUTURE NUCLEAR ARMS PACT AND OTHER ISSUES, SUCH AS EUROPEAN UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 102538

SECURITY, ARE STYMIED BY MOSCOW'S APPARENT UNWILLINGNESS

TO MAKE MAJOR CONCESSIONS BEFORE WATERGATE IS RESOLVED.

5. -- THE STATE DEPARTMENT, DESPITE ITS RUN OF MIDEAST SUCCESSES, IS FACED WITH INCREASING DEFECTIONS AND THE BELIEF AMONG SOME POLICYMAKERS THAT THEY WILL BE USELESS IN THEIR JOBS UNTIL WATERGATE IS RESOLVED.

6. -- RELATIONS WITH COMMUNIST CHINA HAVE CONSIDERABLY COOLED DESPITE ADMINISTRATION PROTESTATIONS TO THE CONTRARY.

7. -- CUBA REPORTEDLY IS PREPARED TO BEGIN NEGOTIATING ITS DIFFERENCES WITH THE UNITED STATES, BUT THE WHITE HOUSE IS AFRAID OF ALIENATING CONSERVATIVE REPUBLICAN CONGRESSMEN WHOSE VOTES ARE NEEDED ON IMPEACHMENT PROCEEDINGS.

8. -- THE SOVIET UNION REPORTEDLY HAS ADOPTED AN UN-COMPROMISING POSITION ON THE SECOND PHASE OF STRATEGIC ARMS NEGOTIATIONS CHIEFLY BECAUSE THE KREMLIN NO LONGER BELIEVES NIXON HAS THE CLOUT IN CONGRESS TO DELIVER ON TRADE PLEDGES MADE AT THE JUNE, 1972, MOSCOW SUMMIT.

9. THESE INCLUDED A COMMITMENT TO PRESS CONGRESS FOR MOST-FAVORED-NATION (MFN) STATUS FOR SOVIET GOODS. OFFICIALS HERE PRIVATELY BELIEVE THE WATERGATE CLIMATE ALSO HAS STIFFENED SEN. HENRY JACKSON'S OPPOSITION TO A COMPROMISE DEAL THAT WOULD PERMIT MOSCOW TO RECEIVE LIBERALIZED TRADE BENEFITS.

10. JACKSON, IN A MEETING WITH SECRETARY OF STATE HENRY KISSINGER JUST BEFORE THE U.S. SECRETARY LEFT ON HIS CURRENT MIDEAST TRIP, REFUSED TO MODERATE HIS POSITION DESPITE KISSINGER'S ASSURANCES THE KREMLIN WAS READY TO ALLOW FREER EMIGRATION OF JEWS TO ISRAEL.

11. THE WASHINGTON SENATOR IS CO-SPONSOR OF AN AMENDMENT TO THE ADMINISTRATION TRADE BILL THAT WOULD DENY CREDITS AND MFN PRIVILEGES TO MOSCOW UNTIL THE PRESIDENT CERTIFIED DISCRIMINATION AGAINST JEWS AND OTHER
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 102538

MINORITIES NO LONGER EXISTED.

12. THE SOVIET UNION WAS SAID TO HAVE CONCLUDED, AFTER A THREE-MONTH POLITBURO STUDY, THAT NIXON'S DAYS AS PRESIDENT ARE NUMBERED AND THAT THEREFORE THERE IS LITTLE TO BE GAINED FROM MAKING CONCESSIONS TO AN ADMINISTRATION THAT HAS LOST MUCH OF ITS POWER WITH CONGRESS.

13. THE STATE DEPARTMENT IS FACED WITH INCREASING

DEFECTIONS FROM UPPER-LEVEL POLICYMAKERS WHO APPARENTLY NO LONGER BELIEVE THE ADMINISTRATION RETAINS THE INFLUENCE IN CONGRESS TO PUT ITS PROGRAMS INTO ACTION.

14. TWO PRIME EXAMPLES ARE THE SENATE DEFEAT MONDAY OF A PROPOSED \$766 MILLION BOOST IN MILITARY AID TO SOUTH VIETNAM AND THE INCREASING LIKELIHOOD OF STIFF SENATE OPPOSITION TO A \$1.92 BILLION MILITARY AID BILL THAT IS PART OF AN OVERALL \$5.18 BILLION FOREIGN AID PACKAGE.

15. WILLIAM H. DONALDSON, UNDERSECRETARY OF STATE FOR SECURITY ASSISTANCE, WAS SAID TO HAVE RESIGNED IN DISGUST THIS WEEK OVER BEING LEFT COMPLETELY OUT OF THE PLANNING OF THE AID BILL THAT HE TRADITIONALLY, IN HIS ROLE AS STATE'S SECURITY CHIEF, IS EXPECTED TO CHAMPION ON CAPITOL HILL.

16. ALSO, FORMER VIRGINIA GOVERNOR LINWOOD HOLTON, WHO ONLY LAST MONTH WAS NAMED ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS, HAS TOLD FRIENDS HE DOESN'T INTEND TO STAY IN THE JOB IF HIS CHIEF ROLE - THAT OF DEFENDING ADMINISTRATION POLICIES IN CONGRESS - IS UNDERCUT BY WATERGATE.

17. A NUMBER OF OTHER TOP OFFICIALS ARE CONSIDERING RESIGNING ALTHOUGH OTHERS, SUCH AS DEPUTY SECRETARY OF STATE KENNETH RUSH, REPORTEDLY HAVE DECIDED TO REMAIN ON THE JOB AS LONG AS NIXON IS 'UNDER SIEGE' FROM HIS WATERGATE CRITICS.

UNCLASSIFIED

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PAGE 04 STATE 102538

18. KISSINGER IS SAID TO BELIEVE THERE IS A GREATER CHANCE OF WAR NOW BETWEEN RUSSIA AND CHINA THAN AT ANY TIME SINCE THE END OF THE COLD WAR. IN PART, HE IS SAID TO BELIEVE THIS IS BECAUSE THE UNITED STATES HAS LOST MUCH OF ITS 'MORAL WEIGHT' IN WORLD COUNCILS TO ACT AS A BUFFER BETWEEN THE COMMUNIST SUPERPOWERS.

19. WHAT HE MEANS, OFFICIALS HERE SAID, IS THAT WATERGATE HAS PREVENTED THE STEADY IMPROVEMENT IN RELATIONS BETWEEN THE UNITED STATES AND EACH OF THE COMMUNIST GIANTS. WITH SUCH AN IMPROVEMENT WOULD HAVE COME AN INCREASED ABILITY TO INFLUENCE EACH GOVERNMENT'S ACTIONS AGAINST THE WAR OPTION.

20. ALSO, AND PROBABLY ONLY BY COINCIDENCE, THE CHINESE FACTIONS FAVORING IMPROVING TIES WITH THE WEST APPEAR TO BE LOSING THEIR STRUGGLE FOR CONTROL TO THE MORE RADICAL FACTIONS THAT FAVOR A NEW 'REVOLUTION' INSIDE CHINA AND LESS DEPENDENCE ON THE WEST.

21. IF THIS RESULTS IN THE FADING FROM POWER OF PREMIER CHOU EN-LAI, AS NOW APPEARS POSSIBLE, THIS WOULD BE A SERIOUS BLOW FOR WESTERN PROPONENTS OF EASED RELATIONS WITH BOTH CHINA AND RUSSIA. PREMIER CHOU HAS BEEN CLOSELY IDENTIFIED WITH THE IMPROVEMENT OF TIES WITH THE UNITED STATES.

22. PEKING ALREADY HAS SOMEWHAT HARDENED ITS LINE AGAINST THE UNITED STATES, DENYING VISAS TO AMERICAN TRADE CONSULS IN HONG KONG WHO WANTED TO VISIT CANTON TO HELP FACILITATE PRIVATE BUSINESS DEALS AT THE TRADE FAIR THERE. PEKING ALSO HAS NOTICEABLY CUT THE NUMBER OF VISAS IT IS GRANTING ORDINARY AMERICANS TO VISIT CHINA.

23. THIS HAS BEEN DONE, IN PART, OFFICIALS HERE EXPLAIN BECAUSE THE CHINESE WERE LED TO BELIEVE THEY WOULD RECEIVE MORE LIBERAL TRADE TERMS, INCLUDING MFN STATUS, SOMETHING THE ADMINISTRATION NOW IS IN NO POSITION TO PROVIDE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 102538

24. THE UNITED STATES LONG SINCE WOULD HAVE MOVED TO NORMALIZE RELATIONS WITH COMMUNIST CUBA BUT FOR THE NEED TO AVOID ALIENATING CONSERVATIVE REPUBLICAN CONGRESSMEN WHO EVENTUALLY WILL HAVE TO VOTE ON IMPEACHMENT PROCEEDINGS.

25. CUBA WAS SAID TO HAVE PRIVATELY INDICATED ITS READINESS TO EXPLORE IMPROVING TIES BUT THE STATE DEPARTMENT IS HAMSTRUNG FROM MAKING ANY RECOMMENDATIONS TO THE WHITE HOUSE." (END TEXT) RUSH

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